

Applicant: Biondi et al.  
Filed: June 29, 2001  
Application No.: 09/893,596

### **REMARKS**

The present Amendment and Response and accompanying Request for Continued Examination (RCE) is responsive to the final Office Action mailed November 2, 2006. By the present Amendment, Claims 1-10, 12-23, 25-36, and 38-48 remain pending with Claims 1, 14, 27, and 40 being amended; Claims 11, 24, and 37 being canceled; and Claims 41-48 being added. In particular, Claims 1, 14, and 27 have been amended to incorporate some aspects of the features of respective dependent Claims 11, 24, and 37, and dependent Claims 11, 24, and 37 have thus been canceled. In addition, Claim 40 has been amended to recite storing a failure report and moving a tax lot from the trading proposal to enable the tax lot for trading. Claims 41 – 48 have been added to further claim the feature of moving the tax lot from the failure report. Support for Claims 41 – 48 may be found at least in page 39, line 24 – page 40, line 21 and in FIG. 11B. Applicants respectfully submit that now new matter has been added by the foregoing amendments. Reconsideration and allowance of the present application, as amended, is respectfully requested.

### **Claim Rejections Under 35 U.S.C. § 103(a)**

In the Office Action, independent Claim 1, and similarly, independent Claims 14, 27, 40, were rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 6,161,098 to Wallman (“Wallman”) in view of U.S. Patent No. 6,240,399 to Frank et al. (“Frank”). In particular, the Office Action alleges that Wallman discloses, among other features “storing a failure report” (Office Action, page 2) and moving a tax lot identified in the failure report to the trading proposal (Office Action, page 4). Applicants respectfully submit that such features are not taught or motivated by Wallman, Frank, or a combination thereof, and thus Claims 1, 14, 27, and 40 are patentable.

Claim 1, and similarly, Claims 14, 27, and 40 recite the generation of a “failure report” and the movement of a tax lot from the failure report to enable the tax lot for trading. As a preliminary matter, the claimed “failure report” is distinguishable from the claimed “trading proposal.” In particular, the failure report includes tax lots that cannot be traded (i.e., prevented

from being traded) (see Specification, p. 22, lines 1-8). In contrast, the trading proposal includes tax lots of a single security that can be bought or sold (i.e., tradable) (see Specification, p. 4, line 31- p. 5, line 1). In other words, tax lots that do not satisfy the selection criterion, and therefore are not tradable, are included in the failure report while tradable tax lots are included in the trading proposal.

Turning now to Wallman, Wallman does not teach or suggest storing a failure report, where tax lots included in the failure report are prevented from being traded. In particular, the Office Action alleges that a failure report can be found in Wallman, column 4, lines 49-55 which discloses “outputting a list of assets / liabilities to sell.” (Office Action, page 2). As described above, however, a list of assets / liabilities to sell cannot satisfy a failure report since “tax lots included in the failure report are prevented from being traded.” Indeed, a list of assets / liabilities to sell would actually be the opposite of a failure report. At best, such a list of assets / liabilities to sell would be a trading proposal, not a failure report. Accordingly, Wallman does not teach or suggest the feature of a failure report, and Claims 1, 14, 27, and 40 are patentable over Wallman.

In addition to Wallman not teaching or motivating the feature of a failure report, Wallman further does not teach or motivate the feature of “moving a tax lot from the failure report to enable the tax lot to be traded.” For example, the specification of the present invention discloses several exemplary instances where a user can override failed trades (tax lots) in the failure report, thereby moving tax lots from the failure report (where they are prevented from being traded) to the trading proposal (where they are now tradable). According to one instance, a user may still decide to sell all of his or her holdings in a certain security even though a small wash sale loss affecting one lot may not be deductible (Specification, p. 8, lines 1-4). According to another instance, the failed trades in the failure report may be stored for later review to determine whether the cause of the failure may no longer be relevant (e.g., wash sale, short-to-long term transition, etc.) (Specification, p. 39, line 32 – p. 40, line 6). The deficiencies of Wallman become apparent as Wallman does not provide any of these exemplary features described above. Accordingly, Wallman does not teach or motivate “moving a tax lot included in the failure report to the trading proposal,” and Claims 1, 14, 27, and 40 are patentable over Wallman.

The stored failure report and the ability to move a tax lot from the failure report to enable the tax lot for trading results in several novel and non-obvious benefits not disclosed or motivated by Wallman. For example, the system of Wallman can only allow the user to analyze a single account according to the instant time period and current market performance. By contrast, according to an embodiment of the present invention, the failure reports are stored, thereby allowing a user to revisit the tax lots listed in the failure report at a subsequent future time to determine whether the failure conditions have been eliminated. Likewise, as illustrated in Claim 9, the system can also automatically remind the user at later date when it may be desirable to move the tax lot from the failure report to enable the tax lot to be traded. Moreover, the storage and subsequent access of such a failure report allows for a plurality of accounts belonging to hundreds or thousands of investors to be reviewed by a money manager at a later date / time. For example, although certain tax lots of a single security may not be presently tradable according to the failure report, a money manager may review the failure reports at a later date / time to determine whether those tax lots of the single security for a plurality of investor accounts can then be moved from the failure report. This means that a money manager would not need to re-enter the previous selection criterion or use a time-consuming, serial approach to analyze each investor account (see e.g., Specification, page 3, lines 24-25 (recognizing that a “serial approach could take hours or even days for a large client base”)). Indeed, Wallman does not allow a plurality of accounts for multiple investors to be analyzed, which in contrast, is covered by the claimed “single security across a plurality of investor accounts.”

With respect to Frank, there is not taught or suggested a “failure report” or “moving a tax lot from the failure report to enable the tax lot for trading,” and Applicants likewise do not see how Frank would teach or suggest such features. Indeed, Frank is directed more towards providing long-term allocation advice similar to what a money manager might provide (see FIELD OF THE INVENTION of Frank, stating that “[t]he present invention is directed towards financial analysis, and more particularly towards investment location optimization software.”). Because Frank does not teach or suggest the actual trading involved in accomplishing its suggested allocation, Frank cannot monitor or determine whether any tax lots are prevented from

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being traded due to a failure in at least one selection criterion, as provided in the claimed failure report. Likewise, as Frank cannot teach or suggest a failure report, Frank also does not teach or suggest moving a tax lot from the failure report to enable the tax lot for trading. Therefore, Frank does not cure the defects of Wallman, and independent Claims 1, 14, 27, and 40 remain patentable over Wallman, Frank, or a combination thereof. Each of the dependent claims is likewise allowable as a matter of law, notwithstanding their independent recitation of patentable features.

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### **CONCLUSION**

The Applicants believe they have responded to each matter raised by the Examiner. Allowance of the claims is respectfully solicited. It is not believed that extensions of time or fees for addition of claims are required, beyond those that may otherwise be provided for in documents accompanying this paper. However, in the event that additional extensions of time are necessary to allow consideration of this paper, such extensions are hereby petitioned under 37 CFR § 1.136(a), and any fee required therefore (including fees for net addition of claims) is hereby authorized to be charged to Deposit Account No. 19-5029.

Respectfully submitted,

  
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Date: **2 FEBRUARY 2007**

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